

2018 Annual Report Certification

City of South Bend

MCAG No. 0554

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

FOR THE FISCAL YEAR ENDED December 31, 2018

Government Information:

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Preparer Information & Certification:

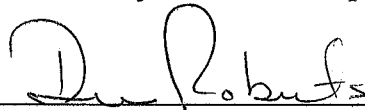
Preparer: Dee Roberts – Clerk/Treasurer

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I do hereby certify on the 8th day of April, 2019, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting System Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Preparer Signature: _____



Reviewed by: _____



City of South Bend

2018 Financial Report

Elected Officials

	<u><i>Name</i></u>	<u><i>Term</i></u>	<u><i>Expiration</i></u>
<i>Mayor</i>	<i>Julie K. Struck</i>	<i>4</i>	<i>12/31/2021</i>
<i>Council Position #1</i>	<i>Daryle Buchanan</i>	<i>4</i>	<i>12/31/2019</i>
<i>Council Position #2</i>	<i>Bunny Williams</i>	<i>4</i>	<i>12/31/2019</i>
<i>Council Position #3</i>	<i>Patricia Neve</i>	<i>4</i>	<i>12/31/2021</i>
<i>Council Position #4</i>	<i>Jan Davis</i>	<i>4</i>	<i>12/31/2021</i>
<i>Council Position #5</i>	<i>Dale Little</i>	<i>4</i>	<i>12/31/2021</i>

Appointed Officials

<i>City Clerk/Treasurer</i>	<i>Dee Roberts</i>
<i>Police Chief</i>	<i>Dave Eastham</i>
<i>City Supervisor/Building Official</i>	<i>Dennis Houk</i>
<i>City Attorney</i>	<i>William Penoyar/Michael Tierney</i>
<i>Municipal Court Judge</i>	<i>Eric Weston</i>

<i>Population</i>	<i>1625</i>
<i>Current Assessed Value</i>	<i>\$86,538,342</i>
<i>Date of Incorporation</i>	<i>1890</i>
<i>Council Meetings:</i>	<i>2nd & 4th Monday</i>

City of South Bend

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2018

BARS CODE		Total for	001	101
		All Funds 1/	Current Expense	Street Fund
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$1,908,055.12	\$88,965.77	\$0.00
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$815,097.52	\$801,757.46	\$0.00
320	Licenses and Permits	\$32,037.55	\$32,037.55	\$0.00
330	Intergovernmental Revenues	\$439,857.90	\$128,850.95	\$98,842.00
340	Charges for Goods and Services	\$2,311,464.67	\$10,324.62	\$0.00
350	Fines and Penalties	\$82,358.74	\$82,358.74	\$0.00
360	Miscellaneous Revenues	\$298,057.72	\$17,450.42	\$48,429.12
Total Operating Revenues:		\$3,978,874.10	\$1,072,779.74	\$147,271.12
Operating Expenditures:				
510	General Government	\$253,780.16	\$253,780.16	\$0.00
520	Public Safety	\$658,179.92	\$658,179.92	\$0.00
530	Utilities	\$1,330,057.35	\$0.00	\$0.00
540	Transportation	\$143,483.40	\$0.00	\$130,897.75
550	Economic Environment	\$3,382.50	\$3,382.50	\$0.00
560	Social Services	\$1,667.46	\$1,667.46	\$0.00
570	Culture And Recreation	\$44,805.74	\$44,541.33	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$2,435,356.53	\$961,551.37	\$130,897.75
Net Operating Increase (Decrease):		\$1,543,517.57	\$111,228.37	\$16,373.37
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$161,473.97	\$48,647.49	\$0.00
391-393	Debt Proceeds	\$132,546.98	\$132,546.98	\$0.00
397	Transfers-In	\$80,710.49	\$34,244.79	\$46,465.70
Total Nonoperating Revenues:		\$374,731.44	\$215,439.26	\$46,465.70
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$385,257.70	\$172,858.20	\$0.00
591-593	Debt Service	\$762,466.69	\$0.00	\$0.00
594-595	Capital Expenditures	\$245,571.96	\$14,673.95	\$62,839.07
597	Transfers-Out	\$80,710.49	\$80,710.49	\$0.00
Total Nonoperating Expenditures:		\$1,474,006.84	\$268,242.64	\$62,839.07
Increase (Decrease in Cash and Investments		\$444,242.17	\$58,424.99	\$0.00
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$2,352,297.29	\$147,390.76	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2018

BARS CODE		106	401	404
		Capital Fund-Docks	Water Operating Fund	Sewer Operating Fund
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$49,760.92	\$1,288,260.41	\$178,784.02
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$13,340.06	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$0.00	\$66,096.44	\$40,382.61
340	Charges for Goods and Services	\$0.00	\$850,533.70	\$1,055,028.62
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$13,270.53	\$15,004.11	\$25,247.39
Total Operating Revenues:		\$26,610.59	\$931,634.25	\$1,120,658.62
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$0.00	\$543,667.15	\$444,164.42
540	Transportation	\$12,585.65	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$0.00	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$12,585.65	\$543,667.15	\$444,164.42
Net Operating Increase (Decrease):		\$14,024.94	\$387,967.10	\$676,494.20
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$0.00	\$0.00	\$0.00
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$0.00	\$0.00	\$0.00
Total Nonoperating Revenues:		\$0.00	\$0.00	\$0.00
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$0.00	\$43,010.44	\$40,792.51
591-593	Debt Service	\$0.00	\$235,000.44	\$502,580.25
594-595	Capital Expenditures	\$0.00	\$94,967.86	\$53,090.20
597	Transfers-Out	\$0.00	\$0.00	\$0.00
Total Nonoperating Expenditures:		\$0.00	\$372,978.74	\$596,462.96
Increase (Decrease in Cash and Investments		\$14,024.94	\$14,988.36	\$80,031.24
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$63,785.86	\$1,303,248.77	\$258,815.26

1/ This column summarizes ALL reported funds, not just funds listed on this page
The Accompanying Notes Are An Integral Part Of This Statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**For the Year Ended December 31, 2018**

BARS CODE		405	411	701
		Mosquito Control	Garbage	HUD Fund
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$53,872.63	\$55,901.57	\$155,734.74
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$85,692.72	\$19,993.18	\$0.00
340	Charges for Goods and Services	\$0.00	\$395,577.73	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$0.00	\$1,000.00	\$2,500.00
Total Operating Revenues:		\$85,692.72	\$416,570.91	\$2,500.00
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$66,369.30	\$275,856.48	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$0.00	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$66,369.30	\$275,856.48	\$0.00
Net Operating Increase (Decrease):		\$19,323.42	\$140,714.43	\$2,500.00
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$0.00	\$0.00	\$100,375.01
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$0.00	\$0.00	\$0.00
Total Nonoperating Revenues:		\$0.00	\$0.00	\$100,375.01
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$0.00	\$120,013.76	\$0.00
591-593	Debt Service	\$0.00	\$24,886.00	\$0.00
594-595	Capital Expenditures	\$5,000.88	\$15,000.00	\$0.00
597	Transfers-Out	\$0.00	\$0.00	\$0.00
Total Nonoperating Expenditures:		\$5,000.88	\$159,899.76	\$0.00
Increase (Decrease in Cash and Investments		\$14,322.54	(\$19,185.33)	\$102,875.01
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$68,195.17	\$36,716.24	\$258,609.75

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of South Bend

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2018

BARS Code		Total for	601	610	620
		All Funds 1/	Investment Trust Funds - Utility Deposits	Robert Bush Park Fund	Mary Rogers Pioneer Park Trust Fund
308	Beginning Cash and Investments	\$36,775.06	\$29,698.45	\$7,076.61	\$0.00
388 and 588	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00	\$0.00
310-360	Revenues	\$175,156.15	\$0.00	\$156.15	\$175,000.00
380-390	Other Increases and Financing	\$12,451.47	\$12,451.47	\$0.00	\$0.00
510-570	Expenditures	\$264.41	\$0.00	\$264.41	\$0.00
580-590	Other Decreases and Financing	\$8,582.79	\$8,582.79	\$0.00	\$0.00
Increase (Decrease) in Cash and Investments		\$178,760.42	\$3,868.68	(\$108.26)	\$175,000.00
508	Ending Cash and Investments	\$215,535.48	\$33,567.13	\$6,968.35	\$175,000.00

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

NOTES TO FINANCIAL STATEMENTS

TABLE OF CONTENTS

NOTE 1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
A.	Fund Accounting
B.	Basis of Accounting and Measurement Focus
C.	Cash and Investments
D.	Capital Assets
E.	Compensated Absences
F.	Long Term Debt
G.	Reserved Portion of Ending Cash and Investments
H.	Risk Management-AWC
H.	Risk Management-AWC Health & Welfare
NOTE 2	COMPLIANCE AND ACCOUNTABILITY
NOTE 3	INVESTMENTS
NOTE 4	PROPERTY TAXES
NOTE 5	INTERFUND LOANS
NOTE 6	DEBT SERVICE
NOTE 7	SUBSEQUENT EVENTS (LONG TERM DEBT)
NOTE 8	PENSION PLAN
NOTE 9	BUDGET COMPLIANCE

City of South Bend

NOTES TO FINANCIAL STATEMENTS January 1, 2018 through December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Bend was incorporated on September 9, 1890 and operates under the law of the State of Washington applicable to a Mayor/Council form of government. The City is a general purpose government and provides general administrative services, public safety, a volunteer fire department, street improvement, parks and recreation, & water, sewer, and garbage services.

The City of South Bend reports financial activity in accordance with the *Cash Basis Budgeting, Account, and Reporting System* (BARS) manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner.

- Financial transactions are recognized on a cash basis of accounting as described below
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information,
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the City of South Bend are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The City of South Bend's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

GOVERNMENTAL FUND TYPES:

Current Expense Fund

This fund is the primary operating fund of the City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Debt Service Funds

These funds account for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods and services to the general public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

Agency Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of account and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law, the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments (See Note 3)

It is the City of South Bend's policy to invest all temporary cash surpluses. The amount is included in the net cash and investments shown on the statement of fund resources and uses arising from cash transactions. The interest on these investments – Local Government Investment Pool ONLY – is posted to the Current Expense Fund.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 25 days (200 hours), is payable in full upon separation from the City. Additionally, if employees have reached the 200 hour maximum, additional vacation accumulation is paid to the employee monthly.

Sick pay, which may be accumulated up to 90 days (720 hours), is payable at a rate of ½ of the amount accumulated upon separation from the City. Additionally, if employees have reached the 720 hour maximum, additional sick time accumulation (up to 8 hours a month) is paid to the employee monthly. Payments are recognized as expenditures when paid.

F. Long Term Debt (See Note 6)

G. Reserved Portion of Ending Cash and Investments

The City of South Bend has one commitment or restriction on the fund balance for Fund 620 – Mary Rogers Pioneer Park Trust Fund. The City of South Bend received an anonymous donation of \$175,000 to complete the development of the property located at 117 Willapa Avenue. This property is the original location of the South Bend City Hall. This fund was established under Ordinance #1534 and passed on August 13, 2018.

H. Risk Management-AWC

The City of South Bend is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989, when 32 municipalities in the State of Washington joined by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2018, 100 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime,

general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime), pollution liability, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2018, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

H. Risk Management-AWC Health & Welfare

The City of South Bend is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2018, 257 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2018, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two pointed individuals from the AWC Board of Directors who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has

decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in this report. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions. There have been no expenditures exceeding legal appropriations in any of the funds of the City.

NOTE 3 – INVESTMENTS

The City of South Bend's investments are insured, registered in the City's name or held by the City. Investments by type as of December 31, 2018 are as follows:

Type of Investment	Balance
The Bank of the Pacific-Operating Account	\$190,555.77
The Bank of the Pacific-Municipal Court	10,360.96
The Bank of the Pacific-Police Reserves	2,271.51
US Bank – Investor Account	1,397.50
TVI Investments-General	247,880.85
TVI Investments-Timber Funds	1,500,000.00
US Government Securities	-0-
State Investment Pool	633,525.48
Total	<u>\$2,585,992.07</u>

NOTE 4 – PROPERTY TAXES

The Pacific County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The City's regular tax levy for 2018 was \$2.812210 per \$1,000 of assessed valuation of \$86,538,342 for a total regular levy of \$243,364.

NOTE 5 – INTERFUND LOANS

On December 11, 2017 the City of South Bend established an interfund loan by Resolution #2017-05. The interfund loan is for \$100,000 to 411-Garbage Fund from 701-HUD Fund. It is for 11 months at a rate of 0.1%. Payments are \$9,095.87 per month and the money was used to purchase a new 2018 garage truck. The city received a grant/loan package from USDA RD, but the unfunded balance for the garbage truck was \$75,000.

The following table displays interfund loan activity during 2018:

Borrowing Fund	Lending Fund	Balance 01/01/2018	New Loans	Repayments	Balance 12/31/2018
411-Garbage Fund	701-HUD	\$100,000	Ø	\$100,000	Ø

NOTE 6 – DEBT SERVICE

The accompanying Schedule of Long-Term Debt (09) provides more details of the outstanding debt and liabilities of the City of South Bend and summarizes the city's debt transactions for year ended December 31, 2018.

Debt service requirements for general obligation bonds, revenue bonds and other debt, including both principle and interest, are as follows:

	General Obligation Debt	Revenue Debt	Total Debt
2018	Ø	762,467	762,467
2019	Ø	715,734	715,734
2020	Ø	646,261	646,261
2021	Ø	643,696	643,696
2022	Ø	583,624	583,624
2023-2027	Ø	2,732,476	2,732,476
2028-2032	Ø	1,454,099	1,454,099
2033-2037	Ø	1,168,240	1,168,240
2038-2042	Ø	1,168,240	1,168,240
2043-2047	Ø	1,168,240	1,168,240
2048-2052	Ø	1,168,240	1,168,240
2053-2057	Ø	Ø	Ø
TOTAL	Ø	12,211,317	12,211,317

NOTE 7 – SUBSEQUENT EVENTS (LONG TERM DEBT)

The City of South Bend and the City of Raymond jointly accepted an approximately \$30,000,000 funding package from USDA Rural Development for a new Regional Wastewater Treatment Plant (RWWTP). The funding package was 40% grant and 60% loan. The City of South Bend is responsible for 35.62% of the total cost of the project. The lead city is Raymond. The project went out for bid in 2010. The groundbreaking was March 26, 2011. Even though the City of Raymond is reporting the full amount of debt on their financial statements each year the City of South Bend's portion of the debt is reflected in Note 6 – Debt Service and it is included on Schedule 9.

NOTE 8 - PENSION PLAN

Substantially all of the City of South Bend's full-time employees and qualifying part-time employees participate in following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees (PERS) and Law Enforcement and Fire Fighters (LEOFF).

The State Legislature establishes and amends laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

The City of South Bend also participates in the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) administered by the State Board of Volunteer Fire Fighters and Reserve Officers. Detailed information about the plan is included in the State of Washington CAFR available from the Office of Financial Management website at www.ofm.wa.gov.

At June 30, 2018 the City of South Bend proportionate share of the collective net pension liabilities, as reported on the Schedule 9 was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$23,809	0.003562%	\$159,080
PERS 2 and 3	\$35,453	0.004595%	\$78,456
LEOFF 1	Ø	0.003017%	Ø
LEOFF 2	\$12,311	0.007099%	Ø

LEOFF Plan 1

The City of South Bend also participates in the LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000 employers and employees contribution zero percent. As of December 31, 2018, there was one *retired* LEOFF 1 individual drawing benefits consisting of a city-paid long term care policy, reimbursement of the Medicare portion from their Social Security plus medical costs not reimbursed by health insurance (The City of South Bend pays health insurance premiums to Washington Counties Insurance Fund).

LEOFF Plan 2

The City of South Bend also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

NOTE 9 – BUDGET COMPLIANCE

The City of South Bend adopts annual appropriated budgets for all funds. These budgets are adopted at the fund level current expense fund where the budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund	Final Appropriated Amount	Actual Expenditures	Variance
001 Current Expense	\$1,343,616	\$1,185,253	158,363
101 Street Fund	859,128	193,737	665,391
103 Library	12,000	8,519	3,481
106 Capital Fund-Docks	17,420	12,586	4,834
110 Hotel/Motel Tax Fund	37,502	36,022	1,480
401 Water Operating Fund	4,566,604	916,646	3,649,958
404 Sewer Operating Fund	1,641,181	1,040,627	600,554
405 Mosquito Fund	90,848	71,370	19,478
411 Garbage	438,455	435,756	2,699
601 Investment Trust Funds – Utilities	13,000	8,583	4,417
610 Robert Bush Park Fund	5,500	264	5,236
620 Mary Rogers Pioneer Park Trust Fund	0.00	0.00	0.00
701 HUD	1,000	0.00	1,000
	\$9,026,254	3,909,363	5,116,891

Budgeted amounts are authorized to be transferred between departments within any fund and between object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours or other conditions of employment must be approved by the City Council.

City of South Bend

**NOTES TO THE FEDERAL SCHEDULE OF FINANCIAL ASSISTANCE
(Schedule 16)**

January 1, 2018 through December 31, 2018

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City of South Bend's financial statements. The City uses the cash basis of accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of South Bend's portion, are more than shown.

NOTE 3 - FEDERAL LOANS

The City of South Bend is in partnership (Interlocal Agreement) with the City of Raymond in the operation of a Regional Wastewater Treatment Plant. The City of Raymond was the lead city and all funding packages were administered through Raymond. The majority of the cost of the project (\$36,123,319) was funded by USDA Rural Development. The funding package was as follows: \$17,614,000 Loan and \$10,983,000 Grant. The project went out for bid in 2010. The groundbreaking was March 26, 2011. The plant went on-line in February 2014.

With a loan/grant package from USDA Rural Development the City of South Bend purchased a 2018 Peterbilt with a Scorpion Automated Side Loader and compatible bins. The Letter of Conditions is dated August 2, 2017, but the truck was not in service until January 1, 2018. The loan was \$211,000.00 and the grant was \$67,000.00. The city used \$70,477.00 of garbage reserve funds to complete the purchase.

NOTE 5 - NONCASH AWARDS – EQUIPMENT

N/A – The City of South Bend did not purchase any equipment or supplies with Federal Homeland Security funds

MCAG	Fund Number	Fund Name	Account Code	Account Title	Actual Amount
0554	001	Current Expense	3088000	Unreserved Beginning	88965.77
0554	001	Current Expense	3111000	Real And Personal Property Tax	240644.21
0554	001	Current Expense	3111002	Timber Tax	35.06
0554	001	Current Expense	3131110	Retail Sales And Use Tax	188865.83
0554	001	Current Expense	3133100	Hotel/Motel Taxes	8376.54
0554	001	Current Expense	3137100	Local Criminal Justice Excise Tax	5265.07
0554	001	Current Expense	3161000	Business and Occupation Tax	120820.29
0554	001	Current Expense	3164600	T.V. Cable Tax	22402.14
0554	001	Current Expense	3164700	Telephone Utility Tax	28023.29
0554	001	Current Expense	3164800	PUD Tax	82517.24
0554	001	Current Expense	3164900	Water/Sewer Utility Tax	104118.17
0554	001	Current Expense	3168100	Gambling Tax	689.62
0554	001	Current Expense	3219900	Business Licenses	14100.00
0554	001	Current Expense	3221000	Building Permits	17367.55
0554	001	Current Expense	3223000	Animal Licenses	570.00
0554	001	Current Expense	3332060	WSTSC-Click It-Ticket/DUI Grant	3766.78
0554	001	Current Expense	3340421	CTED Stop Grant	6279.69
0554	001	Current Expense	3340424	TAC Grant	8359.35
0554	001	Current Expense	3350091	PUD Privledge Tax	10935.98
0554	001	Current Expense	3360098	City Assistance (SB6050)	52997.63
0554	001	Current Expense	3360621	Criminal Justice - Population	1000.00
0554	001	Current Expense	3360626	Criminal Justice - Special Programs	1697.87
0554	001	Current Expense	3360626	Criminal Justice - Local	13488.21
0554	001	Current Expense	3360642	Marijuana Excise Tax	8473.24
0554	001	Current Expense	3360651	DUI Cities	239.48
0554	001	Current Expense	3360694	Liquor Excise	8189.53
0554	001	Current Expense	3360695	Liquor Board Profits	13423.19
0554	001	Current Expense	3413300	Deferred Prosecution	17.44
0554	001	Current Expense	3422100	Fire District 8 Services	5715.32
0554	001	Current Expense	3431900	Permit Fees (SEPA, Vacation, Variance)	4281.86
0554	001	Current Expense	3436000	Animal Shelter Fees	310.00
0554	001	Current Expense	3523000	Mandatory Ins. Costs	2.61
0554	001	Current Expense	3531000	Traffic Infraction Penalties	78358.56
0554	001	Current Expense	3552000	DUI Fines	122.02
0554	001	Current Expense	3558000	Other Criminal Traffic Misdeameanors	2810.57
0554	001	Current Expense	3569000	Other Criminal Non-Traffic Fines	1051.73
0554	001	Current Expense	3573700	Total Criminal Costs Recouped	13.25
0554	001	Current Expense	3611000	Investment Interest	5528.67
0554	001	Current Expense	3611000	Investment Interest-Timber	3673.14
0554	001	Current Expense	3614000	Sales Tax Interest	261.81
0554	001	Current Expense	3670000	Mill Pond Donations-2018	1200.00
0554	001	Current Expense	3671100	Helen Davis Park Restroom Donations	27.25
0554	001	Current Expense	3691000	Miscellaneous	2618.75
0554	001	Current Expense	3691000	Other Miscellaneous Revenue	1063.70
0554	001	Current Expense	3691000	Property Rental for PCSO Storage Units	720.00
0554	001	Current Expense	3691000	Other Miscellaneous Revenue - Copy Sales	446.10
0554	001	Current Expense	3699100	Miscellaneous Revenues - NSF, CWP	1911.00
0554	001	Current Expense	3894000	County Court Remittances	546.48
0554	001	Current Expense	3894000	State Fee-Building Permits	136.50
0554	001	Current Expense	3894000	State Court Remittances	44964.51
0554	001	Current Expense	3930000	Municipal Court Receipts	132546.98
0554	001	Current Expense	3951000	Sale of Capital Assets	3000.00
0554	001	Current Expense	3970000	Operating Transfers - In	34244.79
0554	001	Current Expense	5088000	Unreserved Ending	147390.76
0554	001	Current Expense	5116010	Salaries & Wages	17280.00
0554	001	Current Expense	5116020	Personnel Benefits	1469.59
0554	001	Current Expense	5116031	Operating Supplies	3873.31
0554	001	Current Expense	5116042	Postage/Meter Rental/Website Mgmt	9505.48
0554	001	Current Expense	5116043	Travel	3877.23
0554	001	Current Expense	5116044	Advertising - Legals	4323.02
0554	001	Current Expense	5116047	Utilities-City Hall	3196.13
0554	001	Current Expense	5116049	Miscellaneous - AWC Dues/Retro	2011.34
0554	001	Current Expense	5116049	Miscellaneous - Dues, Subscriptions	1222.96
0554	001	Current Expense	5116049	Miscellaneous - Election Costs	8676.18

0554	001	Current Expense	5125010	Salaries & Wages	33113.50
0554	001	Current Expense	5125020	Benefits	5906.30
0554	001	Current Expense	5125031	Office Supplies/Forms	1950.92
0554	001	Current Expense	5125041	Contract Public Defender	8700.00
0554	001	Current Expense	5125041	Contract Prosecutor	9360.00
0554	001	Current Expense	5125041	Interpreter	520.00
0554	001	Current Expense	5125041	Miscellaneous Services	1314.27
0554	001	Current Expense	5125043	Training/Travel	864.32
0554	001	Current Expense	5142010	Salaries & Wages	50669.84
0554	001	Current Expense	5142020	Benefits	18153.83
0554	001	Current Expense	5142031	Office Supplies/Miscellaneous	8508.85
0554	001	Current Expense	5142041	Office Equipment - Repair/Maintenance	108.37
0554	001	Current Expense	5142041	Computer Software Maintenance	12763.21
0554	001	Current Expense	5142041	Codification of Ordinances	927.26
0554	001	Current Expense	5142043	Training/Travel	3520.10
0554	001	Current Expense	5142049	Misc - Dues/Subscriptions/Bank	959.75
0554	001	Current Expense	5148140	Building Pubs/Permits/Prof Services	6079.10
0554	001	Current Expense	5153040	Professional Services - Legal	4595.00
0554	001	Current Expense	5183040	Repair/Maintenance - City Hall	9683.80
0554	001	Current Expense	5183041	Custodial Services - City Hall	2400.00
0554	001	Current Expense	5183042	City Hall Security	3487.50
0554	001	Current Expense	5183046	Insurance	14779.00
0554	001	Current Expense	5217020	Salaries & Wages	327016.73
0554	001	Current Expense	5217020	Benefits	121145.58
0554	001	Current Expense	5217020	Benefits - LEOFF I	16405.30
0554	001	Current Expense	5217020	Benefits - LTC (LEOFF 1 Retired)	2316.60
0554	001	Current Expense	5217020	Uniform Allowances (4)	3300.00
0554	001	Current Expense	5217020	Uniform Allowance (Reserves)	2000.00
0554	001	Current Expense	5217031	Office Supplies	894.40
0554	001	Current Expense	5217031	Operating Supplies	4130.21
0554	001	Current Expense	5217032	Fuel Consumed	12397.61
0554	001	Current Expense	5217041	Professional Services-Vet Services	101.55
0554	001	Current Expense	5217042	Communications/Phone	5519.35
0554	001	Current Expense	5217042	Communications (PACCOM)	35924.00
0554	001	Current Expense	5217043	Training/Travel	2379.70
0554	001	Current Expense	5217046	Insurance	33000.00
0554	001	Current Expense	5217048	Repair & Maintenance	8090.20
0554	001	Current Expense	5217049	Jail Services (Pacific County)	9287.54
0554	001	Current Expense	5217049	Miscellaneous Dues/Subscriptions	870.00
0554	001	Current Expense	5217049	Repay of Dispatch Radio Equip (3 of 3)	11825.59
0554	001	Current Expense	5217049	Misc - Investigations, Trial Expense,	522.75
0554	001	Current Expense	5225010	Salaries & Wages	2128.29
0554	001	Current Expense	5225020	Benefits	3127.15
0554	001	Current Expense	5225031	Cleaning & Supplies	144.00
0554	001	Current Expense	5225031	Operating Supplies	3901.39
0554	001	Current Expense	5225032	Repair & Maintenance-Bldg	15837.44
0554	001	Current Expense	5225032	Fuel Consumed	789.67
0554	001	Current Expense	5225033	Repair & Maintenance-Equip	13552.64
0554	001	Current Expense	5225042	Communications (PACCOM)	396.00
0554	001	Current Expense	5225042	Utilities - Phone	2548.81
0554	001	Current Expense	5225046	Insurance	5443.00
0554	001	Current Expense	5225047	Utilities - Electricity	5381.42
0554	001	Current Expense	5251051	Pacific County Emergency Management	7803.00
0554	001	Current Expense	5586041	PCOG Dues	1500.00
0554	001	Current Expense	5586041	Comprehensive Plan	1282.50
0554	001	Current Expense	5586041	Economic Development	600.00
0554	001	Current Expense	5620041	County Alcohol Assessment	420.06
0554	001	Current Expense	5620041	ORCAA	1247.40
0554	001	Current Expense	5725031	Operating/Supplies	481.98
0554	001	Current Expense	5725041	Custodial Services	1785.50
0554	001	Current Expense	5725047	Utilities/Electricity	2013.76
0554	001	Current Expense	5725048	Repair/Maintenance	4168.55
0554	001	Current Expense	5725049	Operating Certificate - Elevator Lift	69.10
0554	001	Current Expense	5768010	Salaries & Wages (Contract)	16463.11
0554	001	Current Expense	5768020	Benefits (Contract)	2213.67
0554	001	Current Expense	5768031	Operating Supplies/Miscellaneous	4920.65

0554	001	Current Expense	5768041	Miscellaneous Contract Services	7119.93
0554	001	Current Expense	5768047	Utilities/Miscellaneous Services	2585.08
0554	001	Current Expense	5768047	Helen Davis Restroom Pumping	2720.00
0554	001	Current Expense	5860000	State Court Remittances	42395.61
0554	001	Current Expense	5860000	County Court Remittances	517.07
0554	001	Current Expense	5860000	State Building Permit Remittance	126.50
0554	001	Current Expense	5893000	Municipal Court Checks	129819.02
0554	001	Current Expense	5942164	Capital Outlay-Police	2757.25
0554	001	Current Expense	5942164	Capital Outlay-Police (Computers)	191.60
0554	001	Current Expense	5942264	Capital Outlay-Firefighter Equipment	11725.10
0554	001	Current Expense	5970000	Library	8518.89
0554	001	Current Expense	5970000	City Streets	46465.70
0554	001	Current Expense	5970000	Hotel/Motel Tax	25725.90
0554	101	Street Fund	3340380	Washington State TIB Grants	58855.18
0554	101	Street Fund	3360071	Multimodal Transportation	2279.59
0554	101	Street Fund	3360087	Motor Vehicle Fuel Tax	35467.46
0554	101	Street Fund	3699100	Miscellaneous Revenues	50668.89
0554	101	Street Fund	3970000	Operating Transfers - In	46465.70
0554	101	Street Fund	5423010	Salaries & Wages	52938.84
0554	101	Street Fund	5423020	Benefits	21126.35
0554	101	Street Fund	5423020	Public Works Boot Allowance	200.00
0554	101	Street Fund	5423031	Gravel	9543.04
0554	101	Street Fund	5423031	Miscellaneous Supplies/Signs	12155.52
0554	101	Street Fund	5423032	Fuel Consumed	4257.26
0554	101	Street Fund	5423047	Utilities - Street Lighting	15300.75
0554	101	Street Fund	5423048	Equipment Repairs	2000.48
0554	101	Street Fund	5423048	Contracted Maintenance/Labor	12927.07
0554	101	Street Fund	5423049	Miscellaneous	448.44
0554	101	Street Fund	5944264	Capital Outlay-Streets	3758.38
0554	101	Street Fund	5954263	Arterial St-Design/Engineering (TIB)	59080.69
0554	106	Capital Fund-Docks	3088000	Unreserved Beginning	49760.92
0554	106	Capital Fund-Docks	3172000	Leasehold Excise Tax	161.78
0554	106	Capital Fund-Docks	3183400	Real Estate Excise Tax (REET 1)	13178.28
0554	106	Capital Fund-Docks	3622000	Boat Launch - Launch Fees	7602.70
0554	106	Capital Fund-Docks	3625000	Moorage	2641.00
0554	106	Capital Fund-Docks	3625000	Klsmitt/Russ Ward Lease Share	3026.83
0554	106	Capital Fund-Docks	5088000	Unreserved Ending	63785.86
0554	106	Capital Fund-Docks	5466010	Salaries & Wages	5044.10
0554	106	Capital Fund-Docks	5466020	Personnel Benefits	1910.08
0554	106	Capital Fund-Docks	5466047	Utilities (Electricity)	486.59
0554	106	Capital Fund-Docks	5466048	Repairs/Maintenance	1912.73
0554	106	Capital Fund-Docks	5466049	Public Marina/DNR Fees	2118.46
0554	106	Capital Fund-Docks	5466049	Miscellaneous Expenses	951.91
0554	106	Capital Fund-Docks	5466053	Leasehold Excise Tax	161.78
0554	401	Water Operating Fund	3088000	Unreserved Beginning	1288260.41
0554	401	Water Operating Fund	3339300	NACCHO Grant-Floridation	25000.00
0554	401	Water Operating Fund	3370000	State Excise Tax	41096.44
0554	401	Water Operating Fund	3434000	Water Sales	850533.70
0554	401	Water Operating Fund	3691000	Miscellaneous - Other	12493.70
0554	401	Water Operating Fund	3699110	Miscellaneous - New Services	2510.41
0554	401	Water Operating Fund	5088000	Unreserved Ending	1303248.77
0554	401	Water Operating Fund	5348010	Salaries & Wages	212451.80
0554	401	Water Operating Fund	5348020	Personnel Benefits	90042.80
0554	401	Water Operating Fund	5348020	Public Works Boot Allowance	400.00
0554	401	Water Operating Fund	5348031	Materials/Supplies	48299.70
0554	401	Water Operating Fund	5348031	Chemicals	9261.21
0554	401	Water Operating Fund	5348032	Fuel Consumed	4726.11
0554	401	Water Operating Fund	5348033	Water Purchase - Raymond Intertie	28241.04
0554	401	Water Operating Fund	5348041	Miscellaneous Professional Services	19369.85
0554	401	Water Operating Fund	5348041	Sample Testing/Monitoring - Water	4910.49
0554	401	Water Operating Fund	5348042	Communications	8127.63
0554	401	Water Operating Fund	5348043	Training/Travel	4303.56
0554	401	Water Operating Fund	5348046	Insurance	23000.00
0554	401	Water Operating Fund	5348047	Power (Sewer/Storm Pumps)	1876.44
0554	401	Water Operating Fund	5348047	Power (Miscellaneous Pumps)	2788.95
0554	401	Water Operating Fund	5348047	Power (Water Treatment Plant)	50361.83
0554	401	Water Operating Fund	5348048	Repair and Maintenance - Equipment	29391.54

0554	401	Water Operating Fund	5348049	Membership, Dues, Subscriptions	463.00
0554	401	Water Operating Fund	5348049	Operating Certification - Water	5651.20
0554	401	Water Operating Fund	5860000	State Excise Tax	43010.44
0554	401	Water Operating Fund	5913172	Loan Repayments-PWTF/DWSRF	68139.09
0554	401	Water Operating Fund	5913178	Repay - DWSRF Loan - Principle	152367.22
0554	401	Water Operating Fund	5923480	Repay - DWSRF Loan - Interest	7236.61
0554	401	Water Operating Fund	5923480	Repay - PWTF Loan - Interest	7257.52
0554	401	Water Operating Fund	5943441	WTP Maintenance Agreement	20918.67
0554	401	Water Operating Fund	5943463	WTP Upgrade/Expansion	30716.60
0554	401	Water Operating Fund	5943463	NACCHO Grant-Flordation	26881.71
0554	401	Water Operating Fund	5943464	Capital Outlay-Vehicles, Equipment	16450.88
0554	404	Sewer Operating Fund	3088000	Unreserved Beginning	178784.02
0554	404	Sewer Operating Fund	3370000	State Excise Tax	40382.61
0554	404	Sewer Operating Fund	3435000	Sewer Sales	1055028.62
0554	404	Sewer Operating Fund	3629000	Land Use Permit Fee-Camenzinds	850.00
0554	404	Sewer Operating Fund	3691000	Miscellaneous - Other	24000.00
0554	404	Sewer Operating Fund	3699110	Miscellaneous - New Service	397.39
0554	404	Sewer Operating Fund	5088000	Unreserved Ending	258815.26
0554	404	Sewer Operating Fund	5358010	Salaries & Wages	93111.64
0554	404	Sewer Operating Fund	5358020	Personnel Benefits	37320.30
0554	404	Sewer Operating Fund	5358020	Public Works Boot Allowance	400.00
0554	404	Sewer Operating Fund	5358031	Materials/Supplies	8916.42
0554	404	Sewer Operating Fund	5358031	Chemicals	1766.66
0554	404	Sewer Operating Fund	5358032	Fuel Consumed	1587.25
0554	404	Sewer Operating Fund	5358041	Miscellaneous Professional Services	11121.75
0554	404	Sewer Operating Fund	5358042	Communications	5596.40
0554	404	Sewer Operating Fund	5358046	Insurance	20000.00
0554	404	Sewer Operating Fund	5358047	Power (Sewer/Storm Pumps)	13809.45
0554	404	Sewer Operating Fund	5358047	Power (Eklund Park Pumps)	2937.76
0554	404	Sewer Operating Fund	5358048	Repair & Maintainance - Equipment	12850.80
0554	404	Sewer Operating Fund	5358048	Maintenance & Operations - RWWTP	232745.99
0554	404	Sewer Operating Fund	5358049	WA Parks & Rec-Easement	2000.00
0554	404	Sewer Operating Fund	5860000	State Excise Tax	40792.51
0554	404	Sewer Operating Fund	5913170	Principal Repay - PWTF Loan	110870.19
0554	404	Sewer Operating Fund	5913172	RWWTP - DOE Loan (Raymond)	55807.65
				Principle	
0554	404	Sewer Operating Fund	5913172	Loan Repayment-USDA RD	111506.90
0554	404	Sewer Operating Fund	5913178	DOE Sewer Improve Loan-Principle	76322.64
0554	404	Sewer Operating Fund	5923580	Interest Repay - PWTF Loan	12889.92
0554	404	Sewer Operating Fund	5923583	DOE Sewer Improve Loan-Interest	8742.56
0554	404	Sewer Operating Fund	5923583	RWWTP - DOE Loan (Raymond) Interest	4299.33
0554	404	Sewer Operating Fund	5923583	Loan Repayment-USDA RD Interest	122141.06
0554	404	Sewer Operating Fund	5943460	Bond Reserves (RWWTP-RD)	41139.32
0554	404	Sewer Operating Fund	5943464	Capital Outlay-Vehicles, Equipment	11950.88
0554	405	Mosquito Control	3088000	Unreserved Beginning	53872.63
0554	405	Mosquito Control	3370000	City Excise Tax - Water/Sewer	48172.87
0554	405	Mosquito Control	3370000	City Excise Tax - Garbage	37519.85
0554	405	Mosquito Control	5088000	Unreserved Ending	68195.17
0554	405	Mosquito Control	5392010	Salaries & Wages	1401.10
0554	405	Mosquito Control	5392020	Personnel Benefits	529.20
0554	405	Mosquito Control	5392041	Professional Services - Spraying	45374.00
0554	405	Mosquito Control	5392046	Insurance	19065.00
0554	405	Mosquito Control	5943464	Capital Outlay - Vehicles	5000.88
0554	411	Garbage	3088000	Unreserved Beginning	55901.57
0554	411	Garbage	3370000	State Excise Tax	19993.18
0554	411	Garbage	3437000	Garbage Services	395577.73
0554	411	Garbage	3699100	Miscellaneous Revenue	1000.00
0554	411	Garbage	5088000	Unreserved Ending	36716.24
0554	411	Garbage	5378010	Salaries & Wages	53337.80
0554	411	Garbage	5378020	Personnel Benefits	22759.22
0554	411	Garbage	5378020	Public Works Boot Allowance	200.00
0554	411	Garbage	5378031	Operating Supplies	8130.45
0554	411	Garbage	5378032	Fuel/Oil Consumed	12830.28
0554	411	Garbage	5378035	Containers	7854.21
0554	411	Garbage	5378046	Insurance	22000.00
0554	411	Garbage	5378047	Utility Services - Royal Heights	141895.54
0554	411	Garbage	5378048	Repair & Maintenance - Equipment	2700.29

0554	411	Garbage	5378049	Miscellaneous Services	4148.69
0554	411	Garbage	5812000	HUD Loan Repayment	100075.01
0554	411	Garbage	5860000	State Excise Tax	19938.75
0554	411	Garbage	5913172	USDA RD - Principal Loan Payment	18174.98
0554	411	Garbage	5923583	USDA RD - Interest Loan Payment	6711.02
0554	411	Garbage	5943137	Capital Outlay	15000.00
0554	601	Investment Trust Funds - Utility Deposits	3088000	Unreserved Beginning	29698.45
0554	601	Investment Trust Funds - Utility Deposits	3891000	Utility Customer Deposits	12451.47
0554	601	Investment Trust Funds - Utility Deposits	5088000	Unreserved Ending	33567.13
0554	601	Investment Trust Funds - Utility Deposits	5891000	Deposits Refunded	8582.79
0554	610	Robert Bush Park Fund	3088000	Unreserved Beginning	7076.61
0554	610	Robert Bush Park Fund	3611100	Investment Interest	156.15
0554	610	Robert Bush Park Fund	5088000	Unreserved Ending	6968.35
0554	610	Robert Bush Park Fund	5769040	Maintenance - Robert Bush Park	264.41
0554	620	Mary Rogers Pioneer Park Trust Fund	3670000	Anonymous Gift	175000.00
0554	620	Mary Rogers Pioneer Park Trust Fund	5088000	Unreserved Ending	175000.00
0554	701	HUD Fund	3088000	Unreserved Beginning	155734.74
0554	701	HUD Fund	3611000	HUD Loan Repayments	2500.00
0554	701	HUD Fund	3811000	Loans Received	300.00
0554	701	HUD Fund	3812020	Loan Repayment From Garbage Fund	100075.01
0554	701	HUD Fund	5088000	Unreserved Ending	258609.75

SCHEDULE OF DISBURSEMENT ACTIVITY**For the Year Ending December 31, 2018**

Fund No.	Fund Title	Beginning Outstanding Items 01/01/2018	Issued During the Year	Redeemed During the Year	Canceled During the Year	Ending Outstanding Items 12/31/2018	Prior Year Open Period Items	Current Year Open Period Items	Disbursements 12/31/2018
001	Current Expense	\$45,416	\$984,868	\$991,628	\$0	\$38,656	\$0	\$0	\$984,868
101	Street Fund	\$78,251	\$193,737	\$265,944	\$0	\$6,044	\$0	\$0	\$193,737
103	Library	\$187	\$8,519	\$8,587	\$0	\$118	\$0	\$0	\$8,519
106	Capital Fund-Docks	\$859	\$12,586	\$13,081	\$0	\$363	\$0	\$0	\$12,586
110	Hotel/Motel Tax Fund	\$745	\$36,044	\$35,373	\$0	\$1,416	\$0	\$0	\$36,044
401	Water Operating Fund	\$26,633	\$917,233	\$914,063	\$0	\$29,802	\$0	\$0	\$917,233
404	Sewer Operating Fund	\$22,937	\$1,062,772	\$1,049,627	\$0	\$36,083	\$0	\$0	\$1,062,772
405	Mosquito Control	\$184	\$71,370	\$71,434	\$0	\$120	\$0	\$0	\$71,370
411	Garbage	\$7,769	\$335,681	\$326,717	\$0	\$16,734	\$0	\$0	\$335,681
601	Investment Trust Funds - Utility Deposits	\$137	\$5,419	\$5,403	\$137	\$16	\$0	\$0	\$5,283
610	Robert Bush Park Fund	\$0	\$264	\$264	\$0	\$0	\$0	\$0	\$264
630	Municipal Court	\$0	\$129,819	\$129,819	\$0	\$0	\$0	\$0	\$129,819
TOTAL		\$183,117	\$3,758,313	\$3,811,942	\$137	\$129,352	\$0	\$0	\$3,758,177

City of South Bend
Schedule of Liabilities
For the Year Ended December 31, 2018

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.81	USDA Rural - Garbage Truck	11/1/2027	211,000	-	18,175	192,825
263.83	DWSRF Loan	10/1/2019	42,759	-	36,204	6,555
263.87	PWTF Loan	7/1/2019	94,171	-	47,086	47,085
263.87	PWTF Loan	7/1/2021	230,031	-	57,508	172,523
263.83	DOE Loan	1/1/2024	353,447	-	50,493	302,954
263.87	PWTF Loan	7/1/2027	210,525	-	21,053	189,472
263.83	DWSRF Loan	6/1/2027	1,157,590	-	116,163	1,041,427
263.83	DOE Loan	3/31/2028	291,530	-	25,830	265,700
263.87	PWTF Loan	7/1/2028	581,896	-	53,363	528,533
263.83	DOE Loan	1/1/2031	808,035	-	55,808	752,227
263.81	USDA Rural-SCH A	12/1/2052	2,801,605	-	57,278	2,744,327
263.81	USDA Rural-SCH B	12/1/2052	2,946,210	-	54,821	2,891,389
Total General Obligation Debt/Liabilities:			9,728,799	-	593,782	9,135,017
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Net Pension Liability		1,295,934	237,536	-	1,533,470
259.12	Compensated Absences		757,603	153,162	3,301	907,464
Total Revenue and Other (non G.O.) Debt/Liabilities:			2,053,537	390,698	3,301	2,440,934
Total Liabilities:			11,782,336	390,698	597,083	11,575,951

City of South Bend
SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2018

Fund Number	Fund Title	Beginning Cash and Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
001	Current Expense	\$88,965.77	\$1,160,023.31	\$34,244.79	\$104,118.17	\$10,167.27	\$1,288,219.00	\$1,159,250.79	\$80,710.49	\$0.00	\$1,229,794.01	\$147,390.76
101	Street Fund	\$0.00	\$147,271.12	\$46,465.70	\$0.00	\$0.00	\$193,736.82	\$193,736.82	\$0.00	\$0.00	\$193,736.82	\$0.00
106	Capital Fund-Docks	\$49,760.92	\$26,610.59	\$0.00	\$0.00	\$0.00	\$26,610.59	\$12,585.65	\$0.00	\$0.00	\$12,585.65	\$63,785.86
401	Water Operating Fund	\$1,288,260.41	\$977,422.89	\$0.00	\$0.00	\$586.83	\$976,836.06	\$917,232.72	\$0.00	\$45,201.81	\$961,847.70	\$1,303,248.77
404	Sewer Operating Fund	\$178,784.02	\$1,201,719.86	\$0.00	\$0.00	\$22,144.88	\$1,179,574.98	\$1,062,772.26	\$0.00	\$58,916.36	\$1,099,543.74	\$258,815.26
405	Mosquito Control	\$53,872.63	\$85,692.72	\$0.00	\$0.00	\$0.00	\$85,692.72	\$71,370.18	\$0.00	\$0.00	\$71,370.18	\$68,195.17
411	Garbage	\$55,901.57	\$416,570.91	\$0.00	\$0.00	\$0.00	\$416,570.91	\$335,681.23	\$0.00	\$100,075.01	\$435,756.24	\$36,716.24
601	Investment Trust Funds - Utility Deposits	\$29,698.45	\$9,151.47	\$0.00	\$0.00	(\$3,300.00)	\$12,451.47	\$5,282.79	\$0.00	\$0.00	\$8,582.79	\$33,567.13
610	Robert Bush Park Fund	\$7,076.61	\$156.15	\$0.00	\$0.00	\$0.00	\$156.15	\$264.41	\$0.00	\$0.00	\$264.41	\$6,968.35
620	Mary Rogers Pioneer Park Trust Fund	\$0.00	\$175,000.00	\$0.00	\$0.00	\$0.00	\$175,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175,000.00
701	HUD Fund	\$155,734.74	\$2,800.00	\$0.00	\$100,075.01	\$0.00	\$102,875.01	\$0.00	\$0.00	\$0.00	\$0.00	\$258,609.75
TOTAL		\$1,908,055.12	\$4,202,419.02	\$80,710.49	\$204,193.18	\$29,598.98	\$4,457,723.71	\$3,758,176.85	\$80,710.49	\$204,193.18	\$4,013,481.54	\$2,352,297.29

Schedule 15

City of South Bend
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2018

Grantor/ Program Title	Identification Number	Current Year Expenditures
Washington State Transportation Improvement Board		
Small City Arterial Program	#6-W-972(008)-1	\$ 58,855
Total Washington State Transportation Improvement Board		\$ 58,855
Washington Traffic Safety Commission		\$ 3,767
Washington Traffic Safety Commission		\$ 3,767
 TOTAL STATE AND LOCAL FINANCIAL ASSISTANCE		 \$ 62,622

The accompanying notes are an integral part of this schedule.

City of South Bend
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to subrecipients	Note
				From Pass-Through Awards	From Direct Awards	Total		
	National Association of County & City Health Officials	93.424	#2018-012501		25,000	25,000	-	1, 2
	Total CFDA 93.424				25,000	25,000	-	
Dept of Justice Thru Crisis Support (STOP Grant)	Dept of Justice Through Crisis Support Network	16.588		6,280	-	6,280	6,280	1, 2
	Total CFDA 16.588			6,280	-	6,280	6,280	
Total Federal Awards Expended				<u>\$ 6,280</u>	<u>\$ 25,000</u>	<u>\$ 31,280</u>	<u>\$ 6,280</u>	

The accompanying notes are an integral part of this schedule.

SCHEDULE 19

MCAG NO. 0554

SCHEDULE 19

**CITY OF SOUTH BEND
LABOR RELATIONS CONSULTANT(S)
For the Year Ended December 31, 2018**

Has your government engaged labor relations consultants?

Yes ☐

No ☒

If yes, please provide the following information for each consultant(s):

Name Of Firm
Name Of Consultant
Business Address
Amount Paid To Consultant During Fiscal Year
Terms And Conditions, As Applicable, Including:
Rates (e.g., hourly, etc) _____
Maximum Compensations Allowed _____
Duration Of Service _____
Services Provided _____

**City of South Bend
Local Government Risk Assumption
For the Year Ended December 31, 2018**

1. Self-Insurance Program Manager: Dee Roberts
2. Manager Phone: (360) 875-5571
3. Manager Email: dee.roberts@southbend-wa.gov
4. How do you insure property and liability risks, if at all?
 - a. Formal or informal self-insurance program/activity for some or all perils/risks
 - b. Belong to a public entity risk pool
 - c. Purchase private insurance
 - d. Retain risk internally without formal or informal self-insurance program/activity
5. How do you provide health and welfare insurance (e.g., medical, dental, prescription drug, and/or vision benefits) to employees, if at all?
 - a. Self-insure some or all benefits
 - b. Belong to a public entity risk pool
 - c. All benefits provided by health insurance company or HMO
 - d. Not applicable – no such benefits offered
6. How do you insure unemployment compensation benefits, if any?
 - a. Self-insured (“Reimbursable”)
 - b. Belong to a public entity risk pool
 - c. Pay taxes to the Department of Employment Security (“Taxable”)
 - d. Not applicable – no employees
7. How do you insure workers compensation benefits, if any?
 - a. Self-insured (“Reimbursable”)
 - b. Belong to a public entity risk pool
 - c. Pay premiums to the Department of Labor and Industries
 - d. Not applicable – no employees
8. How do you insure other risks and obligations, if any?
 - a. Self-insure some or all other risks
 - b. Belong to a public entity risk pool
 - c. Purchase private insurance
 - d. Not applicable – have no other insurable risks

If the answer to any of the above questions is (a), then answer the rest of the form in relation to the government’s self-insured risks.

If NOT, STOP, the local government does not need to complete the rest of this Schedule.

9. Does the local government self-insure any risks as an individual program? **No**

- i. If answered YES, does the local government allow another separate legal entity into its self-insurance program(s)? (yes/no) For example, employees of a different organization participate in a health and welfare program of a city.

If so, list the other entity or entities: _____

10. Does the local government self-insure any risks as a joint program? **No**

- i. If answered YES, list the other member(s): _____

11. Are any claims administered by contract with a third-party administrator? **No**

12. Did the local government (or its third party administrator, if applicable) receive a claims audit within the last three years? (yes/no) **No**

13. Were the program's revenues sufficient to cover the program's expenses? **Yes**

14. Did the program use an actuary to determine its liabilities? **No**

15. For each type of self-insured risk, describe the risk, the number of claims received during the period, the number of claims paid during the period and the amount of claims paid in the following table:

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Liability (automobile)	Ø	Ø	\$Ø

Description of Risk Type	Number of claims received during the period	Number of claims paid during the period	Total amount of claims paid during the period
Unemployment Compensation	1	1	\$6,428.27